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A HIGH-SCHOOL COURSE IN ECONOMICS¹

The explanation that comes the nearest to explaining society today is the economic explanation. With most men the ruling motive throughout life is to satisfy wants through what is bought and sold.

Our methods of production throw men into contact. The factory hand consorts with other hands, the teacher with other teachers, the clerk with fellow-clerks; capitalists become associated in partnerships and in corporations. Secondary and more formal associations are formed to advance the interests of those concerned, and thus come labor unions, employers' associations, the field of co-operation being now extended beyond the bounds of personal acquaintance. We are thrown, next, into contact with those from whom we buy or to whom we sell. We unite with others to buy in common some utility or service, as a course of lectures, or the monthly programs of a musical club. Organizations, not at first glance economic, may be really and mainly such. The municipality enables the people thereof to buy, in common, police service, water, gas, light, fire protection, sewers, pavements, education for their children; thus may be interpreted the county the town, the state. World-wide localization in production necessitates a world-wide exchange of products and gigantic commercial, banking, and mercantile organizations, and the world becomes one great trading community. The distribution of the product of industry is not less determinative in social effects. It is the ability to pay that determines largely social classes. We are judged by what we spend. The neighborhood in which we live, the society in which we move, the part of the cemetery in which we are buried, the conditions surrounding us at birth—yes, whether we are born at all or not—all seem to depend upon the wealth we have or that our fathers had.

Earthly conditions attach themselves to our worship at the shrines of the Muses. Patti will not sing to us until she is paid,

¹ A paper presented at the Second Conference on the Teaching of Economics, held at the University of Chicago, 1911.

nor pictures adorn our walls until they are bought, nor may we read unless our economic circumstances give us leisure. Economic conditions determine somewhat the content of the cultural knowledges themselves. The fine arts must pay, technical needs decide the direction and extent of scientific research; nine-tenths of our laws are economic. Political, ethical, philosophical theories shift and change with every development of our industrial system. And in the turmoil are threatened certain ideals and institutions, born and nurtured in a different industrial age—our choicest inheritances from the past.

If all this is true, if the social environment is so important and is fundamentally economic, then it would seem that one must know something of economics if he is to understand this environment and get the most out of life. A few generations ago there was little need for any social science in the schools, for there was little social life. Such simple social relations as existed were easily comprehended by the growing children. Now social relations have become wonderfully complex, but we have inherited the educational system that belonged to the simpler industrial state. Our educational development has lagged behind that of the life of the people.

What constitutes a good citizen changes with the mission of the age. He was once the tough-headed old Puritan who could listen to sermons that lasted all day, in a cold church with nothing to keep him warm but the dog he used for a foot-stool. In the time of the Revolution he was the man who could shoot straight and in whose head the idea of liberty was so big that he couldn't turn it over to examine both sides. When it was our chief task to make the conquest of a continent the good citizen was the hardy pioneer. The good citizen today is the man who can help solve the innumerable problems that spring out of a complex social environment. The mission of the coming generations is to solve the social problem. No school subject promises so much aid here as does economics.

I suspect I might have assumed that members of this Conference are agreed that there is an economic environment, that one must understand it if he is to get the most out of life, that out of this environment come the problems that menace democracy, and that a

knowledge of economics is necessary for their proper solution. But the question still remains whether there is much of value that can't be called economics that can be taught successfully in the high school. In grappling with this question I have no theoretical arguments to present. They are to be found elsewhere. If we cannot by this time get beyond that stage of the discussion, to my mind we had better go at something else. I wish rather to outline with some detail a course that I believe can be taught successfully in the high school, and to leave the questions of its value and its feasibility to the general discussion, only remarking at the outset briefly upon the content and methods of the course.

CONTENT OF THE COURSE

The course proposed should contain—

1. Economic theory,
2. Observational studies,
3. Industrial history,
4. Debates upon economic problems of the day.

SUGGESTIONS AS TO METHOD

The backbone, if not the bulk, of the course will be deductive and somewhat abstract. It should afford a discipline not less stern nor less valuable than that of mathematics. High-school mathematics reason from sure premises to conclusions of immediate use, ordinarily, only to the specialist; in economics one must look sharply to his premises, as he will have to in life, since the theory is of direct interest to everybody, and upon the results of the reasoning hangs the destiny of society itself. The ability to read, to read intelligently matter of considerable difficulty—just such matter as “deductive-abstract” economics offers—to distil and state the thought, is as good an equipment for life as mathematical training.

Every teacher of high-school economics should determine upon, at the outset, a limited number of paramount truths and not be content until he has made every one of them a part of the creed of every member of his class. Of course the kernel of truth should be got before the students in the simplest possible way, with the help of illustrations, etc.

Economic theory, as the laws of rent, market, normal, monopoly price, etc., should be taught largely through concrete problems. The problem appeals to the student of high-school age in a way that general, abstract reasoning cannot.

The ideas of most of us are hazy enough as to the phenomena of the industrial world. It “lies around us like a cloud, a world we do not see.” It certainly cannot be presumed that high-school students have so great a fund of

empirical knowledge that no "laboratory economics" is necessary. Just how far observational study shall be employed must depend upon the topic in hand, the existing information of the pupils, the local situation, and the disposition of the teacher. I do not believe that a certain number of weeks at the outset of the course in economics should be devoted exclusively to "laboratory economics," this period to be followed by one given to industrial history, after which the theory of the subject is developed. I believe rather that throughout the entire course there should be continual appeal to the aggregate experience of the class, and such observational study as seems necessary upon each topic as it comes up naturally in the orderly development of the theory. Necessary as it is that high-school economics should be kept close to life, and useful as observational study is in keeping it so, yet the observational method, here as elsewhere, may easily become, if unwisely used, a great time-waster in that the students are set to "observing" what they all know already, or in that they learn at a great cost to themselves of effort and time what the experience of others has placed within easy reach. The loss of some subjects altogether, crowded out by the taking up of other subjects empirically, may more than outweigh the educational gain in the use of the observational method. It is not so much our object to train up in this course young sociologists to a capability of original research, as it is our object to give the future citizens a knowledge of a few fundamental facts. Our students should open their eyes and see, but they should also read and discuss.

History devoted largely to the details of battles and to Indian stories may have done something toward nerving our ancestors for the conquest of a continent from wild beasts, wild men, and primitive nature. It is little or no equipment for the boys and girls who are to grapple with the almost innumerable problems that spring out of a complex industrial environment. Our educational system must be readjusted to the peculiar mission of our age. This readjustment is modifying the history we teach. The history we teach should be to a considerable extent such as leads up to those great unsolved social problems, which must be solved if our democracy is to live.

The first survey of history is naturally chronological. The student learns all that happened one year, then what happened the next year, and so on. What is learned together sticks together in memory even though there be no logical connection. Like the family story-paper the teacher must carry the learner through eight or ten serials all at once, each furnished on the installment plan, with countless short stories thrown in for refreshments. Though this chronological study be desirable and necessary in the beginning it is extremely unfortunate if our student must stop there. History should be studied lineally as well as laterally. In economic history for the high-school the ideal thing would be for the class to take up anywhere from ten to twenty monographs upon great economic topics, each monograph to be read in connection with the theoretical and observational study of the same subject.

Thus in connection with the theory of money, and the observational study of our money as it is, would be taken up our money history, in which, by the way, is illustrated practically every point that any high-school text on economics teaches in the theory of money. In the absence of appropriate monographs the class will have to supplement the meager historical matter in their textbook by selected readings.

It remains to attempt to outline a course, along the lines suggested in economic theory, observational work, and industrial history.

I. THEORETICAL

a) There is nothing sordid about economics. It treats of man's efforts to satisfy his wants through whatever is bought and sold. If it be defined as "the science of making a living," the term living must be taken in its noblest sense.

b) "There is no wealth but life," "nor can any noble thing be wealth except to a noble person"—Ruskin.

c) It pays to be good. It is the rogue who loses out in life. The greatest surplus of pleasure over pain in life, the greatest surplus of utility over disutility, is to be gotten by square-dealing. There is no conflict between economics and ethics. The criminal or the drunkard is such usually because he cannot successfully balance present and future utilities.

d) "Social diseases, like physical diseases, are to be cured only through diagnosis and scientific treatment."—John Stuart Mill.

e) The cost of our not understanding our social environment has been beyond calculation.

f) "The essential relativity of existing institutions"—Seligman. Nothing that we consider right but that some time and somewhere has been considered wrong, and vice versa.

g) Private property has not always been and may not always be. It has been a matter of historic growth. Private-property rights find their justification only in social utility. Whenever private ownership becomes socially inexpedient there is no longer any private-property right.

h) Our competitive system is a better system than that of the status which preceded it or than that of socialism suggested to succeed it; yet it is satisfactory only when fair and when among equals, and in some fields should be superseded by co-operation or by publicly controlled monopoly.

i) Economic liberty, like freedom in general, comes only with civilization. And then only through legal equality, equality in bargaining, and something like equality in opportunity. It is to be secured, not by any *laissez-faire* policy but as the prize of high intelligence and constant vigilance.

j) Under the subject of production: the intelligence of the laborer; the indispensability of capital; the importance of maintaining the fertility of the land; the marvelous results from division of labor and concentration in industry.

k) Cheap production and great production may not demonstrate the success of an economic system. Goods may be cheap because human life is cheap, and the great bulk of all produced might contribute little to the aggregate of human pleasure. Waste of labor and capital-power in misdirected production.

l) The essential difference between normal and monopoly price. How monopoly price may be nobody's cost of production, how it may curtail production and throw certain classes out of consumption. Status here now.

m) The quintessence of the money question: Should we have a money in which the prices of staple commodities remain the same and wages rise with the increased efficiency in production, or a money in which wages stay the same and prices fall with increased efficiency? Which is equitable as between debtor and creditor?

n) Laws of rent, interest, wages, profits.

o) How an equal distribution of wealth misdirects the application of labor and capital in production. "Necessaries for all before luxuries for any."—Seager. The labor and capital-power should be so employed and their product so distributed as to yield the greatest aggregate of surplus of utility over disutility for the race.

p) The fallacy of the usual arguments in defense of luxurious expenditure. The theory of a leisure class.

II. OBSERVATIONAL

1. Observations calculated to bring out the fact that each economic worker is striving to produce time, or form, or place utility, and culminating in a classification of occupations.

2. Division of labor—the extent to which it is carried, the resulting efficiency, and disadvantages connected therewith: each member of the class to report the best illustration he has actually seen.

3. The forms of business—individual ownership, partnership, corporation, co-operative enterprise, profit-sharing enterprise, trust, state, or municipal enterprise. Reports from members of the class upon particular businesses, such as the grocery business, the meat market, etc., the reports bringing out the sources of the raw material, the extent of the market supplied, etc.

4. Our money as it is. Close examination of the paper money in connection with the history of each kind, weighing of the silver and gold pieces, what is meant by 16 to 1, etc.

5. The operation and organization of the local bank. The bank statement.

6. Price and wage variations—the data to be collected throughout the year and diagrams made.

7. Free competition and industrial liberty—especially the observation of the respects in which each is curtailed or does not exist in the community. Likewise of the curtailment of private-property rights.

8. The organization and work of some local labor union; or an employers' association.

9. Expenditures for various purposes in the families represented in the class; diagrams to represent graphically the conclusions drawn.

10. The making, levying, and collecting of a special assessment for a pavement, water-main, or sewer. Some one improvement to be followed through from beginning to end, the class to attend, so far as possible, the meetings concerned therewith of improvement board, council, the session of the county or circuit court when the assessment roll comes up for confirmation, etc.; the bonds issued to be examined, likewise the ordinance passed and the notices sent, the president's or the engineer's estimate, etc.

11. Municipal finance: the assessed valuation, revenue from taxes, and from other sources; the tax-levy ordinance, the appropriation ordinance; the tax rate as compared with that of surrounding towns; outstanding indebtedness.

12. The distribution of wealth in the village, city or town: to be studied at the time of the publication of the assessment list.

13. Local provisions for poor relief.

14. The employment in the community of women and children.

III. HISTORICAL

a) The Tariff Question in American History.

b) The History of Money and of Banking in America.

c) The History of Panics, Crises, and Industrial Depressions.

d) The Transportation Problem in American History.

e) The History of State and Local Taxation.

f) The History of Labor Unions and of Labor-Capital Controversies.

g) Migration and Immigration.

h) The Industrial Evolution of the United States.

i) The History of the Development of American Agriculture.

j) Economic Forces in the History of American Political Parties.

k) The Present and Past Distribution of Wealth in America.

l) A Historical Study of Prices and Wages.

m) The History of the American Merchant Marine.

n) Financial History of the United States.

o) The History of the Trusts and Monopolies in the United States.

p) Private Property, Competition, and Industrial Freedom.

q) Sketch of English Economic History.

Several of the topics mentioned above should contain something of English or of general history. Thus in studying labor combinations it will be natural to begin with the story of the old guilds and of early labor unions in England; the study of the transportation problem would be incomplete without brief descriptions of conditions as to railway control in France, Germany, England, Italy, and Austria-Hungary.

Where the schools are so circumstanced that it is impossible for them to undertake for the present such a scheme of historical studies, it will be best that they take some brief text upon English and American Industrial history. It will not be necessary, of course, for any school to attempt all or exactly the particular studies given above.

IV. DEBATES UPON ECONOMIC PROBLEMS OF THE DAY

It is hardly necessary to outline anything under this head. Scores of appropriate subjects will suggest themselves in connection with the work in economics. Live questions of the day are usually the best and they may be a means of education not only to the class in economics, but to the whole school, and even to the community.

A debate should be an honest debate. The debaters should be arguing the side of a question in which they believe and advancing only such arguments as they believe.

As has been said the outline above is submitted that it may speak for itself. It is hoped that the value and feasibility of the course proposed will be thoroughly discussed. Perhaps it will be appropriate for the author to open, as to one or two points, this general discussion.

There may be some school subject that proffers more of historic worth, some other affording superior opportunities for observation and induction, and still some third giving better chances for deductive reasoning and abstract thought, but for historical training, training in observation, in deduction and in induction alike, what high-school subject is the peer of economics? Of the historical phase of economics, or the economic phase of history, enough has been said. It is indispensable. We may learn whither we are going only if we study whence we came. But indispensable as it is, neither the economic side of history nor industrial history itself can ever supplant theoretical economics. To the contention that about all that is of value in economics can be taught in connection with history, it could be replied that about all that is of value in history might be taught in connection with economics. But happily neither the one course nor the other is or should be followed. Our textbook in economics contains 102 tough pages upon the general principles of value. Shall we halt the history class to learn that? Yet little that could be called economics is to be had without the theory of value. The same text contains

140 pages upon money and banking. Where stop the history class for that? Yet none of it would come amiss to the average citizen just now. Where in history teach the all-important laws of rent, interest, profits, wages? To leave it to history to teach economics would mean that the *science* of economics would not be taught at all. The proof of the contention lies all around us. Not one high-school graduate in twenty—unless he has had economics—can read the President's last annual message or either of the political platforms intelligently. It is seldom, if ever, that one comes into the author's class in economics, we will not say with any knowledge of economic principles, but even with any sufficient acquaintance with the greatest economic topics in the history of the United States.

It is sometimes objected that there is no room for economics in the curriculum. If such subjects were as important as it would seem they are, it might be asked how we can afford to take much time for anything else. Seriously, however, the author will put his view in a nutshell. In a four-year high-school course, on the four-study program, give one period for the four years to language and literature; one to science and mathematics; one to history, civics, commercial geography, economics, politics, and sociology, and one period to various electives. That gives to required social studies, including history, one-fourth the time; and they deserve it. It would put the required algebra to a year probably. Half the time now is being spent upon useless puzzles invented by rival book-makers, each of which has seen in turn the possibility of some more complicated case in factoring, quadratics, etc. It would cut the time also of biology. The schools have been running mad over bugs, worms, and weeds. Such work can, at least, be left to elective courses. The plan might cut foreign language; but half of the time allowed to required language and literature might go to foreign language and, if desired, all the time for electives. It must not be forgotten that the study of a foreign tongue should be a continual drill in English grammar and composition.

But we would close this discussion with the main thought that has permeated it. It is for the salvation of the state itself that we want economics in the public schools. Somewhere we have read

about a man who went to a great machine shop to buy a machine to pump water for his cattle. He was very particular, would have only the best, and seemed ready to pay for all that he got. Finally, after he had picked out the best thing in the shop and started to leave, the proprietor asked him: "Now, sir, with what power do you propose to run this machine, and whom have you engaged to tend it?" The fellow stopped, scratched his head, and replied: "Well I never thought of that. You ought to be able to fix that for me. You see I want a machine that is powerful enough not only to pump the water for my cattle, but to furnish too the force needed to run the machine itself." Now we smile at the stupidity of that man. *But change the names a little, and how nearly the story becomes true of us!* We have inherited from our ancestors the greatest governmental contrivance ever set up anywhere on earth—a machine erected at the cost of rivers of sweat and lakes of blood. And yet we so-called better citizens of the republic seem to think that that machine ought to be strong enough and perfect enough to run itself and to need no care. We do not want to meddle in politics, attend primaries, read the political history of our country, or study the great economic questions of the day. It is the task of the public school to make the citizens of the next generation feel more keenly than we have felt the duties and the responsibilities of citizenship. How get rid of this apathy of the good citizen if not through just such instruction as this paper advocates? Indifference on the part of the citizen in a democracy is like cancer in the human tissues, bringing out ever-recurring disease until it is dug out root and all. Interest will come with knowledge and with better appreciation of what constitutes true social service.

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